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C O N F I D E N T I A L SECTION 01 OF 04 KATHMANDU 001697

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SUBJECT: NEPAL: THE CPN-UML PARTY (C-NE4-00843)

REF: A. SECSTATE 173471

¶B. KATHMANDU 1443

Classified By: DCM Elisabeth I. Millard; Reason 1.4 (d).

11. (U) Post greatly appreciates the opportunity to help inform the Department's analytic process. Post's responses are keyed to Ref A questions by letter.

HISTORY, PLATFORM

- 12. (C) The modern CPN-UML party is a centrist European social-democratic style political party, which openly supports constitutional monarchy and multiparty democracy. There are certainly factions within the CPN-UML who have some sympathy for a Maoist-style single-party state system. However, most of the philosophically hard-core communists (communism through armed revolution-types) abandoned the party at some point after Madan Bhandari's multiparty democracy position became ascendant at the Party's Fifth National Congress in 1993.
- 13. (C) During the Fifth Congress, three main philosophical schools came to the fore. The first bloc (associated with party General Secretary Madan Bhandari), advocated a multiparty people's republic achieved through peaceful parliamentary revolution, and emphasized the supremacy of the constitution, a competitive party system and a mixed economy (including some compensated redistribution of land). This platform was overwhelmingly supported at the party's Fifth Congress in 1993. In other words, this bloc, which now controls the direction of the party (through such leaders as M.K. Nepal, Deputy Prime Minister Adhikari and Jhala Nath Khanal), is essentially a European social democratic-style party. Recently, Jhala Nath Khanal told PolOff that many in this bloc want to move the party further in the social-democrat direction, including the idea of abandoning the "communist" moniker.
- 14. (C) The second philosophical school was strongly supported by C.P. Mainali and advocated a new people's republic arrived at through a violent revolution made by a united front of leftists and nationalists. Essentially, the revolution would come about when the time was ripe to overthrow the "bourgeois democracy." This bloc advocated a multiparty cooperative system, proportional representation, a state regulated economy with uncompensated land redistribution and, significantly, a ban on reactionary elements. (Mainali became a minority leader within the party after the 1993 Congress, and eventually split the ML from the CPN-UML in 1998. When the ML and CPN-UML rejoined in 2002, Mainali remained outside the party.)
- 15. (C) The third philosophical school advocated a one-party state arrived at through armed revolution. A new constitution would be developed through a constituent assembly and other parties would be banned. The economy would be state controlled, land would be redistributed, and all trade and industry would be nationalized. When it became clear that Bhandari's platform was in the majority, the supporters of this fringe school abandoned CPN-UML. Many ultimately joined the CPN-Maoists.
- 16. (C) (Ref A, Section J) In terms of its perspective on international relations, the CPN-UML party has evolved significantly from 1991. All of Nepal's political parties are critical of the 1950 Friendship Treaty with India, because in Nepal, criticizing India legitimizes the one criticizing. CPN-UML was especially critical of the Friendship Treaty before the 1994-95 CPN-UML-led government came into power. However, once in power, the CPN-UML government did not "cancel" the treaty, and since then the party has become even more moderate towards India. That same CPN-UML government opened the discussions with India on the Mahakali watershed; discussions that eventually led to the Mahakali Treaty (concluded by PM Koirala). The Mahakali Treaty is seen by most Nepalis as much more insulting and unfair than the 1950 Friendship Treaty. No legitimate party in Nepal will build a relationship with China or North Korea at the expense of India; no party would risk trying such a move even if they wanted to do so.

TODAY'S DEMOGRAPHICS, GRASS ROOTS

- 17. (C) (Ref A, Section A) Although determining accurate political demographics in a country beset by a violent insurgency is at best difficult, CPN-UML appears to be Nepal's most popular party. CPN-UML itself claims 73,220 organized members and 400,000 general members, but the basis of these figures is unclear. It is impossible at this time to assess rural/urban or industrial/agricultural breakdowns for support for particular political parties. CPN-UML, like most Nepali political parties, has associated social and labor groups, such as the All Nepal National Free Students Union, All Nepal Peasant's Association, All Nepal Women's Association and the General Federation of Nepalese Trade Unions. More telling perhaps, a recent national survey funded by NDI/USAID and carried out by Greenberg and Associates (in conjunction with a local polling firm) asked a series of political questions, and the responses generally indicated broad support for the CPN-UML. CPN-UML rated the best of the major parties, followed at second by the Nepali Congress Party (Koirala faction) when the statements, "Can Fix Nepal's Problems" and "Cares About People Like Me" were posited. In the same survey, CPN-UML's General Secretary Madhav Kumar Nepal was given the highest rating of the major political leaders in Nepal, and CPN-UML was given the best rating among the parties. Based on past election performance and considering present data, such as it is, unless the Nepali Congress (Koirala) and Nepal Congress (Democratic) rejoin forces, CPN-UML is probably in a position to win a majority in any future national elections.
- 18. (C) (Ref A, Section B) Common wisdom in Nepal indicates that the CPN-UML is the best-organized political party in the country, despite the corrosive impact of the insurgency on the ability of all of the political parties to organize. In most villages, it is impossible for political party activists to operate openly; thus, many are in hiding or have fled. Of Nepal's legitimate political parties, only CPN-UML activists have been able to exist openly in a few limited areas. However, anecdotal evidence suggests that these party cadres are not allowed to do much more than simply exist openly, but quietly. Deputy Prime Minister Adhikari (CPN-UML Standing Committee Member) stated as much to the Ambassador on July 126. Adhikari further noted his relief that the CPN-UML joining the coalition government did not result in widespread slaughter by Maoists of the few openly operating rural party activists (as he had feared).

CPN-UML WHO'S WHO

- 19. (C) (Ref A, Section C) As with all of the political parties in Nepal, the senior leaders of CPN-UML all can show "scars" from the democracy movement, usually in the form of jail time during the 1970's and 1980's. CPN-UML's main leaders of national stature include:
- -- Madhav Kumar Nepal (b. 1953, Rautahat) was elected party General Secretary for the third time in February 2002. Nepal is from Rautahat District. M.K. Nepal joined Nepal's Communist Party in 1969 and was imprisoned between 1975 to 1977 for pro-democracy activities.
- -- Khadga Prasad Sharma Oli (b. 1952, Terathum) is known as a strong grassroots organizer. Oli joined Nepal's Communist Party in 1969 and in the 1970's led the "Jhapa Peasants Movement," which included a campaign with the Mainali brothers to attack and kill landlords. Oli was imprisoned for murder in 1973, but escaped in 1987 and went into hiding. Oli is now firmly aligned with M.K. Nepal's platform of supporting multi-party democracy and constitutional monarchy.
- -- Jhala Nath Khanal (b. 1950, Ilam) is a political intellectual from Ilam in eastern Nepal and served as General Secretary of the Communist Party of Nepal from 1982-1989.

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Khanal has frequently played mediator between M.K. Nepal's faction and Bam Dev Gautam/C.P. Mainali's more radical faction of the party, although he himself is clearly a believer in the former.

- -- Bharat Mohan Adhikari (b. 1936, Mahottari) is Deputy Prime Minister and Finance Minister, and a strong ally of M.K. Nepal.
- -- Bam Dev Gautam (b. 1948, Pyuthan) was General Secretary of the Communist Party of Nepal Marxist Leninist (ML) from 1998 to 2002. Prior to the CPN-UML and CPN-ML split in 1998, he was one of the most influential party leaders, having been underground in Nepal for 22 years. While he remained with the UML party when it rejoined in 2002, Gautam favors a more radical communist position than that of M.K. Nepal.

- -- Amrit Kumar Bohara (b. 1949, Sindhupalchowk), with only a secondary level of education, is the central committee member left in charge whenever General Secretary Nepal is out of the country. Bohara was a member of the All Nepal Peasants' Association in the 1970s, and as a result was in hiding from an arrest warrant by the government for a number of years.
- -- Sahana Pradhan (b. 1932, Kathmandu), wife of the Communist Party of Nepal founder Pushpa Lal Shrestha is a major player in her own right. Jailed during the Panchayat period, Pradhan was the President of the United Left from 1989-90 and most recently served as President of the Marxist Leninist Party (ML). Pradhan is currently a member of the CPN-UML Standing Committee.
- -- Rajendra Rai is the President of the All Nepal National Free Students Union (UML), the student wing of the party. Rai was kidnapped for several days but subsequently released by the Maoists in Bhijpur. Rai speaks very poor English, and therefore, although a major CPN-UML student leader, is unlikely to rise quickly within the party.

TODAY'S PARTY - OPERATIONS AND RELATIONSHIPS

- 110. (C) (Ref A, Section D) CPN-UML was traditionally a very centralized party, particularly when underground during the movement for democracy in the 1980's and 1990's. There is increasing competition among senior party members for control of key positions within the party and the addition of new cadres and activists to the central party organs (there are presently 43 Central Working Committee members) has increased the competition for power within the party. According to the party's constitution, participants in a party congress/conference elect committee members, who in turn select the top leaders.
- 111. (C) In regular party decision-making, General Secretary Nepal tends to lead the party by building consensus for decisions among the party cadre. However, there is little doubt that the party leadership would take a decision without general consent if they believed it critical for the party. For example, before joining the present four-party coalition (an extremely politically sensitive move for the CPN-UML), Nepal led a series of intra-party meetings to build support for abandoning the "anti-regression" protests. Although it appeared there was sufficient support in the party to join the government, there was never a vote within the party; the party simply joined the coalition.
- 112. (C) (Ref A, Section E, F) The Palace and CPN-UML leadership are mutually suspicious, and Nepal has told us that he is wary of the King's desired role; Nepal believes the King needs to be a 21st century monarch and be prepared to lose some power to the parties. Much of the CPN-UML openly supports constitutional monarchy and multiparty democracy, but there are those factions within CPN-UML who would be happy to form a republic (led by the likes of Gautam), and the party's roots are, clearly, anti-feudal and anti-monarchical. After PM Thapa resigned, the King asked the parties to select a consensus candidate for Prime Minister. The parties chose M.K. Nepal, and the King rejected the decision -- the King loses no love for Nepal. (NOTE: However, it should be noted that G.P. Koirala only supported Nepal for the post because he knew the King would never accept Nepal, a fact of which Nepal is aware. END NOTE.)
- 113. (C) Relations between Nepal and Deuba are reasonably cordial, and Nepal's relationship with Koirala is tense but professional. All three are competitors, and therefore at odds for control of the government. Deuba has described Nepal as the 800-pound gorilla within the four-party coalition because of the influence and size of the CPN-UML party. Koirala believes Nepal abandoned "his" anti-regression movement to join the coalition government.
- 114. (C) (Ref A, Section G) It is commonly assumed that, because M.K. Nepal and his CPN-UML party are closest to the Maoists on the political spectrum of any of the legitimate political parties, relations with the Maoists and between Prachanda and M.K. Nepal are cordial. In fact, CPN-UML members are probably the most pragmatic politicians in Nepal, in that they know should the Maoists come into power, they would be the first targets of any political purges.
- 115. (C) (Ref A, Section H) The Maoists meet with anyone they can IF they think it is in their interest to do so; UML is not an exception. All of the parties have at some point pursued talks with the Maoists, including CPN-UML. We have no evididence that the CPN-UML is having back-channel talks with the Maoists to cut a separate deal for themselves. M.K. Nepal told the Ambassador that the CPN-UML party is committed to the coalition government. It would be a mistake to assume that the UML is the closest to agreeing to Maoist demands.

116. (C) (Ref A, Section I) It is true that, in a purely prurient sense, UML does have the most to gain from successful peace negotiations if they lead to free and fair multiparty elections, as UML would likely win a majority in Parliamentary elections. The two factions of the Nepali Congress Party (Nepali Congress and Nepali Congress-Democratic) are UML's main challengers. Should they reunite, it is unclear whether NC or UML would win a majority in a parliamentary election.